

NEW IRS SECTION TO SERVE NEEDS OF MANUFACTURING, CONSTRUCTION AND TRANSPORTATION INDUSTRY TAXPAYERS

WASHINGTON – To better respond to the needs of a diverse customer base, a newly created section of the Internal Revenue Service will be devoted expressly to the needs of corporate taxpayers in the heavy manufacturing, construction and transportation industries.

Housed within the IRS Large and Mid-Size Business Division (LMSB), this section will be headquartered in central New Jersey and will be staffed by a group of tax law specialists with expertise in the areas of air and ground transportation, the aerospace and automotive industries, shipping, construction and real estate. Initially, it will serve nearly 103,000 taxpayers—1,500 of which are large businesses.

“These particular industries work in a highly competitive and cyclical global environment that is extremely sensitive to fluctuations in interest rates,” Industry Director Tom Smith said Tuesday. “By dedicating a team of experts to respond to their specific needs, we hope to better serve this important sector of the taxpaying community.”

Like the rest of LMSB, the Heavy Manufacturing, Construction and Transportation group will embrace an innovative approach to resolve taxpayer issues earlier and streamline the tax dispute process to ease burdens on business, Smith said. The organization will also assist taxpayers with pre-filing services to help avoid tax disputes.

This combination of factors should help reduce the cost and duration of IRS examinations, Smith said.

Leading the group will be Smith, who began his 32-year career with the IRS as a revenue agent. Since completing the Executive Development program in 1993, he has served as Director of International District Operations, Deputy Assistant Commissioner (International), Assistant Commissioner (Examination) and Organizational Performance Management Executive.

Three field directors located in New Jersey, Detroit and Southern California will report to Smith. In all, 14 territory managers will be based throughout the nation.

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In addition to the Heavy Manufacturing, Construction and Transportation section, LMSB is dividing into four other industry-specific segments -- Communications, Technology and Media; Retailers, Food and Pharmaceuticals; Financial Services and Healthcare; and Natural Resources. The overall goal of LMSB is to develop a tailored set of services to meet the needs of the taxpayers it serves.

The Large and Mid-Size Business Division is one of the four arms of the restructured IRS. It will serve 210,000 filers that made tax payments of \$712 billion. The other three organizational divisions of the IRS include Wage and Investment; Small Business and Self Employed; and Tax Exempt/Government Entities.

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